



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

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January 3, 2000

MEMORANDUM

Audit Referral 00-01

TO: LAWRENCE M. NOBLE
GENERAL COUNSEL

THROUGH: JAMES A. PEHRKON
STAFF DIRECTOR *[Signature]*

FROM: ROBERT J. COSTA
ASSISTANT STAFF DIRECTOR
AUDIT DIVISION *[Signature]*

SUBJECT: VICTORY '96 JOINT FUNDRAISING ACTIVITIES - REFERRALS

On December 9, 1999, the Commission approved the audit report on the Victory '96 Joint Fundraising Activities held on behalf of the Democratic National Committee and Clinton/Gore '96 General Election Legal & Accounting Compliance Fund. The report was released to the public on December 27, 1999. The following two findings are being referred to your office in accordance with the 1996 Title 26 Materiality Thresholds:

Disclosure of Occupation and Name of

Employer

All workpapers and related documentation are available for review in the Audit Division. If you should have any questions, please contact Marty Favin or Rick Halter at 694-1200.

Attachments:

- Finding II.C. (Disclosure of Occupation and Name of Employer)

C. DISCLOSURE OF OCCUPATION AND NAME OF EMPLOYER

Section 434(b)(3)(A) of Title 2 of the United States Code states, in part, that each report shall disclose the identification of each person (other than a political committee) who makes a contribution to the reporting committee during the reporting period, whose contribution or contributions have an aggregate amount or value in excess of \$200 within the calendar year, together with the date and amount of such contribution.

Section 431(13)(A) of Title 2 of the United States Code defines the term "identification" as, in the case of any individual, the name, the mailing address, and the occupation of such individual, as well as the name of his and her employer.

Section 432(i) of Title 2 of the United States Code states, in part, that when the treasurer of a political committee show that best efforts have been used to obtain, maintain, and submit the information required by this Act for the political committee, any report or any records of such committee shall be considered in compliance with this Act.

Section 104.7(b) of Title 11 of the Code of Federal Regulations states, in relevant part, that the treasurer will only be deemed to have exercised best efforts to obtain, maintain and report the required information if for each contribution received aggregating in excess of \$200 per calendar year which lacks required contributor information, the treasurer makes at least one effort after the receipt of the contribution to obtain the missing information. Such effort shall consist of either a written request sent to the contributor or an oral request to the contributor documented in writing. The written or oral request must be made no later than thirty days after receipt of the contribution. The written or oral request

shall not include material on any other subject or any additional solicitation, except that it may include language solely thanking the contributor for the contribution.

The Audit staff conducted a sample review of contributions from individuals, which were deposited into the Victory '96 Federal account, to determine if the required information, relative to receipts required to be itemized, was adequately disclosed. Our testing revealed that the minimum requirements for reporting occupation and/or name of employer were not met for a material number of reported entries. For these items, the report entries contained the annotation "REQUESTED."

The Audit staff located approximately 77% of the missing information for these items in the Victory '96 Federal account contribution records or in the Receipts database files relative to the DNC or the GELAC, the two fundraising participants. A Victory '96 official stated that he was surprised that this information was not included on amended Schedules A (Itemized Receipts) filed by the DNC relative to Victory '96 contributions.

In the ECM, the Audit staff recommended that amended Schedules A be filed to disclose the occupation and name of employer information obtained but not yet disclosed. In its response to the ECM, Counsel representing Victory '96 stated that an amended report was filed by the DNC to correct these errors. The Audit staff reviewed the amended Schedules A filed by the DNC (relative to the Victory '96 contributions) and determined that some of the errors were corrected. However, the minimum requirements for reporting occupation and/or name of employer were still not met for a material number of reported entries.